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ALLEN-SCOTT REPORT

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Britain Spearheads Backstage Move to Win
World Bank Membership for Soviet Union

WASHINGTON — Highly significant moves are under way to make Russia a member of the \$15 billion International Monetary Fund and the \$21 billion International Bank of Reconstruction & Development (World Bank).

Such membership would open the door wide for Premier Khrushchev's obtaining the big long-term foreign credits he urgently wants to push his recently-announced gigantic \$40 billion chemical and agricultural development program.

Britain, pantingly eager to expand its Iron Curtain trade, is spearheading the backstage drive to bring the Soviet into the IMF and World Bank.

Prime Minister Sir Alec Douglas-Home initiated the hush-hush overtures to Russia — with the knowledge and encouraging approval of key-placed members of the Johnson administration.

Foremost among them are Dr. Walt Rostow, head of the State Department's policy planning council, and McGeorge Bundy, foreign affairs adviser to the President.

Home discussed this far-reaching proposal during his visit with President Johnson several months ago. Since then there have been further exchanges through diplomatic channels.

According to a memorandum circulating in the highest government levels, Home reported Khrushchev is intensely interested in joining the IMF and World Bank.

The Kremlin ruler was portrayed as prepared to meet the monetary requirements of the two international financial organizations, but raising objections to other crucial stipulations — the submission of detailed information on gold reserves and balance-of-payments (foreign trade).

In addition to providing this now-closely-guarded information, the Soviet would have to put up more than \$500 million in gold and give notes for another half billion in its own currency to be admitted to the International Monetary Fund. Such membership is mandatory for admission to the World Bank.

To join the latter, the Soviet would have to pay in 10 per cent of its subscription — estimated at around \$200 million. Of this amount only one per cent would have to be in gold or dollars; the balance would be in rubles.

OTHER BACKERS

The heads of both powerful international financial organizations are credited as favoring Russian membership.

George Woods, president of the World Bank, and Pierre-Paul Schweitzer, president of the International Monetary Fund, are privately letting it be known they approve this British-initiated and U.S.-supported move.

Schweitzer, who is on cordial terms with President de Gaulle, has undertaken to win his endorsement. No serious difficulty is anticipated.

Johnson administration insiders are saying that Dr. Rostow views Russian membership in the IMF and World Bank as very desirable as it would tend to make the Soviet "more dependent on the West and less aggressive."

This theory is strongly opposed by other government authorities.

The International Monetary Fund, with \$15 billion in subscribed capital, has 103 members. The only Communist participant is Cuba. Of the total subscribed capital, the U. S. has paid in \$4.125 billion.

The International Bank for Reconstruction & Development (World Bank) has \$21 billion in subscribed capital. Of the 102 members, Yugoslavia is the only Communist country. Cuba withdrew from the Bank after Castro came to power. Of the Bank's subscribed capital, the U. S. pledged \$6.35 billion, of which it has paid in around \$1.7 billion.

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PRESIDENTIAL PERSONALS

Washington hostesses are getting the word they must have caffeine-free coffee on hand when they entertain the President.

He is very fond of the beverage, specially after a hearty meal. But it's barred on doctors' orders, so the President drinks a caffeine-free variety. He has a favorite brand, and alert hostesses know what it is and stock a supply for him.

The President and Mrs. Johnson dine out several or more times a week. They are more gregarious that way than any of their predecessors in years, particularly President and Mrs. Eisenhower. Old friends head the President's list of favorites, especially newsmen.

He is very fond of dining informally with them, particularly reporters who cover Congress where he spent most of his Washington career. He enjoys gossiping with them about what's transpiring backstage on Capitol Hill.

Red is the President's favorite color, and he delights in seeing Mrs. Johnson wearing it. Most of the gowns and other clothes he selects for her are that color. Both the President and Mrs. Johnson are wary about picking clothes for their two daughters. They prefer to choose their own — and have firmly made that known.

That widely reported White House wedding for Lynda Bird seems to be no more than a report. When a college chum asked Lynda Bird how her wedding preparations were coming along, she replied, "You know more about them than I do. Don't believe everything you hear and read about my family and me."